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Oxy settles charges it illegally dumped waste

BY JOHN COX The Bakersfield Californian jcox@bakersfield.com Oct 7, 2014



An oil pump jack is hard at work around sunset next to the bike path in Bakersfield in this June 2014 photo.

Casey Christie / The Californian

Two local oil producers owned by Occidental Petroleum Corp. have agreed to pay \$476,784 to settle charges they improperly disposed of 57,000 gallons of fluid waste into unlined pits in the Central Valley between early 2012 and Nov. 15 of last year.

Separate from a recent settlement in which Houston-based Oxy was fined about \$60,000 for dumping fracking fluid, the agreements announced Tuesday are part of a crackdown on illegal dumping of saline "produced water" and other oil field fluids.

The water board said the two companies named in the settlements, Occidental of Elk Hills and Vintage Production California, improperly dumped waste into unlined drilling pits at 14 oil well sites.

The board said waste material dumped at those pits consisted primarily of "produced water," the saline fluid that comes up with oil during production. Such pits are generally suitable for disposal of drilling fluids, which cool and lubricate drilling equipment, but not produced water or other kinds of waste. Those fluids are supposed to be disposed of in approved sumps or injected into designated aquifers.

Oxy said in a written statement that cooperating with the regulatory agency that negotiated the settlements, the Central Valley Regional Water Quality Control Board, was a top priority for the two companies.

"We cooperated fully to settle the water board's claim about past use of certain drilling sumps," Oxy stated. "We had already closed the sumps in a manner that protects groundwater, and also improved our operational practices and controls before receiving the water board's administrative action."

Andrew Grinberg, oil and gas program manager at Clean Water Action, an environmental activist group based in Washington, D.C., said Oxy's actions are "yet another example of the threats to water quality from oil and gas waste water."

"It is encouraging to see the Central Valley board cracking down on illegal dumping activities," he wrote in an email. "However, this and other cases point to the fact that the oil industry does not seem capable of managing its massive waste stream, whether through risky surface discharge or by underground injection into our sources of drinking water."

The water board began scrutinizing unauthorized disposal activity at drilling pits after Oxy's earlier violation involving fracking fluid. The agency ultimately ordered 78 Central Valley oil producers to produce data on its drilling pits.

While the board's enforcement activity continues, only one other company so far has agreed to a settlement: E&B Natural Resources Management Corp. The Bakersfield company agreed to pay \$39,984 to settle charges it dumped about 5,000 gallons of produced water and crude oil at two unlined pits in the Poso Creek Oil Field.

Clay Rodgers, assistant executive officer at the regional water board, noted Oxy came forward and admitted unauthorized dumping after the agency requested data on the company's drilling pits.

Half the money from Oxy's more recent settlements will go toward cleanup and abatement. The other half will be given to the Rose Foundation for Communities and the Environment, an Oakland-based nonprofit that works with local communities to improve their water quality.

MORE INFORMATION



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